

Mayor Willie W. Herenton's 2004 Budget Address

"Memphis: The Choice is Clear"

Tuesday, April 15, 2003 (3:30 p.m.)

City Council Chambers

GOOD AFTERNOON, CHAIRMAN TAYLOR, OTHER MEMBERS OF THE CITY COUNCIL, AND CITY OF MEMPHIS RESIDENTS. I AM HONORED TO HAVE THE OPPORTUNITY TO COME BEFORE YOU TODAY TO SHARE THIS ADMINISTRATIONS' BUDGET PROPOSAL.

BEFORE MOVING ON TO THE CITY'S BUDGET ADDRESS, I WOULD FIRST LIKE TO THANK THIS LEGISLATIVE BODY FOR ANOTHER SUCCESSFUL YEAR OF WORKING VERY CLOSELY WITH THIS ADMINISTRATION AS A TEAM TO MAKE MEMPHIS THE CLEAR CHOICE.

OUR ADMINISTRATION HAS DEMONSTRATED WHAT IT IS LIKE WITH THE LEGISLATIVE AND EXECUTIVE BRANCH WORKING TOGETHER AS A TEAM ON BEHALF OF THE CITIZENS. I WANT ALL THE COUNCIL MEMBERS TO KNOW THAT THE MAYOR RESPECTS YOUR ROLE AND APPRECIATES HOW WELL WE HAVE WORKED TOGETHER.

FIRST I WOULD LIKE TO TOUCH ON SOME ACCOMPLISHMENTS MADE LAST YEAR THAT MEMPHIANS CAN BE PROUD OF. WE HAVE HAD ANOTHER BANNER YEAR.

MEMPHIS HAS BEEN ABLE TO SUSTAIN SOLID FINANCIAL PROGRESS DESPITE THE DOWNTURN IN THE NATIONAL ECONOMY, THE STATE FACING A REVENUE CRISIS AND RISING COUNTY DEBT.

AS EACH OF YOU KNOW, GOVERNOR PHIL BREDESEN HAS PROPOSED A NINE PERCENT CUT IN STATE-SHARED TAXES TO CITIES AND COUNTIES. MEMPHIS STANDS TO LOSE ABOUT \$7 MILLION OF ITS STATE-SHARED TAX ALLOTMENT.

I NEED TO POINT OUT THAT DESPITE THE OBSTACLES AND FINANCIAL CHALLENGES WE FACE, WE WILL ABSORB THAT LOSS AND THE FISCAL YEAR 2004 BUDGET WILL NOT REQUIRE A PROPERTY TAX INCREASE OR USE OF GENERAL FUND RESERVES.

DISPITE MANY FINANCIAL CHALLENGES THAT THE CITY ADMINISTRATION HAS FACED, WE HAVE RAISED PROPERTY TAXES ONLY ONCE IN THE LAST 11 YEARS.

THE CITY ANTICIPATES NO INCREASE IN TAXES FOR FISCAL YEAR 2004 AND WILL CONTINUE TO IMPROVE AND ENHANCE SERVICE DELIVERY CAPABILITIES IN ALL AREAS.

MEMPHIS CONTINUES TO HOLD A DOUBLE-A BOND CREDIT RATING FROM ALL THE MAJOR NEW YORK RATING FIRMS.

MEMPHIS HAS APPROXIMATELY \$61 MILLION IN ITS FUND BALANCE RESERVES AND CONTINUES TO DEMONSTRATE SOUND FINANCIAL MANAGEMENT PRACTICES.

MEMPHIS HAS INDEED BEEN BLESSED WITH ECONOMIC PROSPERITY FOR MORE THAN A DECADE AND OUR ECONOMIC OUTLOOK IS VERY BRIGHT.

FISCALLY, THIS CITY IS IN A MUCH STRONGER POSITION THAN IT WAS WHEN I CAME INTO OFFICE MORE THAN 12 YEARS AGO. I AM VERY PROUD OF THAT. FINANCIAL SOLVENCY HAS BEEN A "HALLMARK" OF THIS ADMINISTRATION.

WE'VE HAD MORE CAPITAL INVESTMENT IN MEMPHIS OVER THE PAST SIX YEARS THAN NASHVILLE, CHATTANOOGA AND KNOXVILLE COMBINED.

MORE THAN \$1 BILLION WAS INVESTED IN THE MEMPHIS METROPOLITAN STATISTICAL AREA BY PRIVATE BUSINESSES IN 2002. MORE THAN 8,352 NEW JOBS WERE CREATED LAST YEAR.

WE HAVE 20,000 FEWER PEOPLE LIVING IN POVERTY IN 2000 THAN 12 YEARS AGO.

MEMPHIS WAS RANKED FIFTH IN THE NATION FOR TOP METRO AREAS FOR NEW AND EXPANDED FACILITIES IN THE US BY *SITE SELECTION* MAGAZINE WHICH IS THE OFFICIAL PUBLICATION OF THE INDUSTRIAL ASSET MANAGEMENT COUNCIL.

AS WITH THE PREVIOUS MEMPHIS POLLS, THE MAJOR CONCLUSION OF THE 2003 MEMPHIS POLL IS THAT CITIZENS FEEL POSITIVE ABOUT THE CITY'S SERVICES AND ITS PUBLIC POLICIES. THE OVERALL RATING OF CITY GOVERNMENT SHOWED THAT CITIZENS HAVE A POSITIVE PERCEPTION OF OVERALL CITY SERVICES.

FOR THE LAST 11 YEARS THIS ADMINISTRATION HAS HAD A MEMPHIS POLL CONDUCTED WHICH PROVIDES A FORUM FOR CITIZEN INPUT REGARDING CITY OF MEMPHIS SERVICES AND PUBLIC ISSUES.

THE 11TH ANNUAL MEMPHIS POLL FOUND THAT 82 PERCENT OF CITIZENS FEEL POSITIVE ABOUT THE CITY'S SERVICES AND ITS PUBLIC POLICIES. AND, OVERALL, 75 PERCENT OF THE CITIZENS HAD NO INTENTION OF MOVING FROM THE CITY IN THE NEXT TWO YEARS. FOR CITIZENS OF THIS GREAT CITY, MEMPHIS IS THE CLEAR CHOICE.

TREND LINES SHOW THAT NEIGHBORHOOD QUALITY AND SERVICE QUALITY REMAINED CONSISTENTLY HIGH DURING THE LAST THREE YEARS OF THE MEMPHIS POLL AT 82 PERCENT.

INTERESTINGLY, CITIZEN PERCEPTION ABOUT QUALITY OF LIFE IN THE CITY HAS IMPROVED DURING THE THREE YEARS OF THE MEMPHIS POLL IN WHICH THIS MEASURE HAS BEEN USED. IT INCREASED FROM 73 PERCENT IN 2001 TO 79 PERCENT IN 2003. THESE ARE VERY POSITIVE FINDINGS THAT SHOW THAT THERE IS ENORMOUS CITIZEN GOODWILL ABOUT THE CITY AND ITS NEIGHBORHOODS.

AS IN RECENT YEARS, THE MEMPHIS POLL FOUND THAT POLICE CRIME PROTECTION, PUBLIC SCHOOLS AND FIRE PROTECTION AND DISASTERS/DISEASE PLANNING WERE THE MOST IMPORTANT CITY SERVICES.

CRIME PROTECTION HAS THE HIGHEST PRIORITY RANKING BY CITIZENS. NINETY-THREE PERCENT OF THE CITIZENS THOUGHT CRIME PROTECTION WAS THE MOST IMPORTANT ITEM FOR THE OVERALL QUALITY OF THE CITY.

THE FIRE DIVISION; THREE PARKS DIVISION PROGRAMS; THE OVERALL RATING OF THE PUBLIC LIBRARIES; THE PUBLIC WORKS DIVISION'S SANITATION PROMPTNESS; MLGW'S QUALITY OF DRINKING WATER AND COURTESY OF FIELD WORKERS; AND, THE HEALTH DEPARTMENT'S PROVIDING

VITAL RECORDS WERE THE HIGHEST RATED SERVICE AREAS IN THE CITY.

ON THE OTHER HAND, CITIZENS IDENTIFIED SOME SERVICES FOR WHICH THEY WERE CONCERNED. THESE INCLUDED THE NEATNESS OF THE SANITATION CREWS WHEN PICKING UP THE GARBAGE, PUBLIC SWIMMING POOLS, AND MAINTENANCE OF THE STATE/FEDERAL HIGHWAYS AND EXPRESSWAYS. ADDITIONALLY, SERVICES RELATED TO NEIGHBORHOODS AND TO CONTACTING CITY OFFICIALS WERE SEEN AS MEDIOCRE.

AS WE REFLECT ON OUR MANY ACCOMPLISHMENTS, WE ARE PARTICULARLY PROUD OF THE EFFORTS THAT HAVE BEEN MADE TO PROMOTE THIS REGION.

I MUST ADMIT THAT HAVING THE LENNOX LEWIS/MIKE TYSON CHAMPIONSHIP FIGHT IN MEMPHIS LAST JUNE WAS A MAJOR ACCOMPLISHMENT FOR ME PERSONALLY AND FOR THIS GREAT CITY. MEDIA AND FANS FROM AROUND THE WORLD GATHERED IN MEMPHIS TO WATCH LENNOX LEWIS AND MIKE TYPSON FIGHT FOR THE HEAVYWEIGHT TITLE.

IN ADDITION TO PRICELESS INTERNATIONAL PUBLICITY, THAT FIGHT GENERATED \$10 MILLION IN SPENDING LOCALLY ON HOTELS, RESTAURANTS AND ATTRACTION. WE HAVE SET THE STAGE FOR MORE MAJOR SPORTING EVENTS.

OUR CITY SHINED SO BRIGHT WITH THE LEWIS/TYSON FIGHT THAT MEMPHIS WAS PROVIDED THE OPPORTUNITY TO HAVE THE TYSON VS ETIENNE FIGHT A COUPLE OF MONTHS AGO.

OUR NBA TEAM, THE MEMPHIS GRIZZLIES, IS IN ITS SECOND SEASON.

WE BROKE GROUND ON THE NEW GRIZZLIES ARENA, THE FedEx FORUM, IN THE BEALE STREET AREA TO REINFORCE THE RENAISSANCE OF DOWNTOWN AND OUR ENTERTAINMENT DISTRICT.

THE CONSTRUCTION ON THE DOWNTOWN ARENA IS ON TIME AND WITHIN BUDGET.

THERE IS MORE THAN \$2 BILLION IN CAPITAL IMPROVEMENTS IN DOWNTOWN MEMPHIS.

TWELVE YEARS AGO, NO ONE ENVISIONED THAT WE WOULD HAVE MORE PEOPLE LIVING AND WORKING IN DOWNTOWN MEMPHIS THAN WE HAVE HAD IN MODERN HISTORY. MULTI-FAMILY, SINGLE-FAMILY HOMES ARE ENJOYING 90 PERCENT PLUS OCCUPANCY.

WE CANNOT BUILD ENOUGH SINGLE-FAMILY OR MULTI-FAMILY HOMES FOR THE PEOPLE WHO WANT TO LIVE IN THE

DOWNTOWN AREA. THIS GREAT DOWNTOWN RENAISSANCE IS FINALLY SHAPING UP AND THIS IS JUST THE BEGINNING.

DOWNTOWN HAS AN ELEMENTARY SCHOOL UNDER CONSTRUCTION, WHICH FEW IF ANY OTHER MAJOR CITIES CAN CLAIM, AND MORE DEVELOPMENT IS UNDERWAY THAN AT ANY TIME IN MEMPHIS' HISTORY. FedEx CONTINUES TO EXPAND, AND INTERNATIONAL PAPER CHOSE TO BUILD ITS THIRD TOWER HERE, RATHER THAN EXPANDING IN A PEER CITY.

ANOTHER ITEM THAT I WANT TO POINT OUT IS OUR CONTINUED SUPPORT OF PUBLIC TRANSPORTATION. WE HAVE A FIVE-YEAR COMMITMENT OF \$18 MILLION AND WILL PROVIDE OPERATIONAL FUNDING OF \$14 MILLION FOR MATA. WITH ONGOING EXPANSIONS THROUGHOUT THE HIGHWAY SYSTEM IN MEMPHIS, WE WILL FURTHER ENHANCE PUBLIC TRANSPORTATION WITH OUR NEW MATA LIGHT-RAIL CONNECTIONS FROM DOWNTOWN TO THE MIDTOWN MEDICAL CENTER.

ST. JUDE CHILDREN'S RESEARCH HOSPITAL IS IN THE MIDST OF A \$1 BILLION DOLLAR EXPANSION IN DOWNTOWN MEMPHIS, WHICH WILL ADD NEARLY 1,000 NEW JOBS.

THE MEMPHIS BIOTECH FOUNDATION WAS FORMED TO
SPEARHEAD ADVANCEMENT OF THE BIOTECHNOLOGY
INDUSTRY IN MEMPHIS.

LAST YEAR, THE MEMPHIS ZOO ANNOUNCED THAT IT WILL
BECOME ONE OF ONLY FOUR ZOOS IN AMERICA TO RECEIVE A
PAIR OF RARE GIANT PANDAS.

I AM PROUD TO SAY THAT TWO GIANT PANDAS -- YA YA, A
FEMALE FROM BEIJING, AND LE LE, A MALE FROM SHANGHAI,
WILL APPEAR IN THE ZOO'S NEW CHINA EXHIBIT STARTING
APRIL 25.

THE LONG-ANTICIPATED ARRIVALS WILL PUT MEMPHIS IN
ELITE COMPANY, WITH SAN DIEGO, ATLANTA AND
WASHINGTON, AMONG U.S. CITIES WHERE GIANT PANDAS ARE
ON PERMANENT DISPLAY. FEWER THAN 20 ZOOS OUTSIDE
CHINA DISPLAY THE ENDANGERED SPECIES.

DURING THIS ADMINISTRATION, I HAVE MADE
NEIGHBORHOODS A PRIORITY.

THIS ADMINISTRATION HAS AGGRESSIVELY TARGETED
NEIGHBORHOODS AND DEVOTED RESOURCES TO REVITALIZE
THESE AREAS. MUCH OF OUR BUDGET IS SPENT TO REVITALIZE
AND ENERGIZE OUR NEIGHBORHOODS THAT HAVE FALLEN TO

DECAY AND NEGLECT AND TRANSFORM THEM INTO
COMMUNITIES OF VITALITY AND GROWTH.

WE COMPLETED CONSTRUCTION OF THE NEW COLLEGE PARK
DEVELOPMENT IN PLACE OF THE LEMOYNE GARDENS.

THE UPTOWN REVITALIZATION INITIATIVE IS ONE OF MEMPHIS'
AMBITIOUS INNER-CITY REDEVELOPMENT PROGRAMS.
UPTOWN IS JUST ONE FINE EXAMPLE OF HOW WE ARE MAKING
GOOD ON OUR PROMISE TO THE CITIZENS OF MEMPHIS.

UTILIZING A \$35 MILLION GRANT FROM THE DEPARTMENT OF
HOUSING AND URBAN DEVELOPMENT, PLUS \$158 MILLION IN
LOCAL PUBLIC AND PRIVATE FUNDING, WE WILL BUILD A
MIXED-INCOME NEIGHBORHOOD OF 1,151 UNITS, INCLUDING
319 FOR SALE AS SINGLE-FAMILY HOMES.

WITHIN THIS NEIGHBORHOOD, ST. JUDE CHILDREN'S RESEARCH
HOSPITAL IS ALSO UNDERGOING RENOVATIONS AND
EXPANSION. IN A COLLABORATIVE EFFORT WE ARE FORMING
PARTNERSHIPS TO ASSIST THE RESIDENTS OF THIS COMMUNITY
TO BECOME SELF SUFFICIENT WITH GAINFUL EMPLOYMENT.

THESE KINDS OF HOUSING EFFORTS SERVE TO STRENGTHEN
NEIGHBORHOODS, GROW THE TAX BASE, AND ADD TO
RESIDENTIAL DEVELOPMENT WHILE ASSISTING AND

PROVIDING CITIZENS WITH AFFORDABLE HIGH QUALITY HOUSING OPTIONS.

I WANT TO TOUCH ON SOME CHALLENGING ISSUES THAT WILL REQUIRE STRONG, VISIONARY AND COMMITTED LEADERSHIP TO MOVE THIS GREAT METROPOLITAN AREA TO THE NEXT LEVEL OF GROWTH AND PROGRESS.

FOR 40 YEARS, MEMPHIS HAS TALKED ABOUT CONSOLIDATING ITS TWO-HEADED GOVERNMENT.

BUT STATE AND COUNTY GOVERNMENTS WILL POSE A THREAT TO MEMPHIS'S FUTURE UNLESS LEADERS WITH THE VISION AND POLITICAL SKILLS COMMIT TO CHANGE.

ONE OF OUR GOALS IN THE NEXT FIVE YEARS, IF I'M RE-ELECTED IN OCTOBER, IS TO GIVE LEADERSHIP IN THE ACHIEVEMENT OF ONE GOVERNMENT FOR SHELBY COUNTY.

THE DUPLICATION OF SERVICES MUST END. WITH ONE GOVERNMENT WE'LL HAVE ONE METROPOLITAN GOVERNMENT THAT'S MORE EFFICIENT AND MORE EFFECTIVE, AND I THINK IT WILL BE CHEAPER ON OUR POCKETBOOKS.

I'M CONVINCED IF WE KEEP THE SAME BIFURCATED SYSTEM, IF WE CONTINUE TO INCREASE TAXES IN THE COUNTY, SHELBY COUNTY AND MEMPHIS WILL BE LESS COMPETITIVE IN THE

MARKETPLACE. WE'RE GOING TO DRIVE PEOPLE OUT OF MEMPHIS AND SHELBY COUNTY. WE'RE GOING TO DRIVE INVESTMENT OUT TO MISSISSIPPI AND FAYETTE COUNTY. WE MUST BECOME MUCH MORE INTELLIGENT ABOUT MANAGING GOVERNMENT AND MANAGING OUR RESOURCES.

SCHOOLS: THE CITY'S SUPPORT

EDUCATION IS A FUNDAMENTAL ISSUE WE MUST ADDRESS AND IT IS KEY TO MANY OF THE CHALLENGES WE FACE. YOU HAVE HEARD IT MENTIONED BY ALL SEGMENTS OF OUR COMMUNITY AS BEING THE HIGHEST PRIORITY. THIS IS FROM PARENTS, BUSINESS LEADERS, EDUCATORS, AND ELECTED OFFICIALS. AS AN EDUCATOR, I CERTAINLY ENDORSE THIS PRIORITY.

WE MUST SOLVE OUR PROBLEMS IN EARLY CHILDHOOD EDUCATION AND THE K-12 EDUCATION SYSTEM. THAT MEANS EDUCATION FINANCE REFORM AS I BROUGHT TO THE TABLE EARLIER LAST YEAR, BUT REFORM ALSO MEANS IMPROVING SERVICE AND ACCOUNTABILITY.

AS WE ADDRESS FINANCE REFORM, WE MUST TAKE THE OPPORTUNITY TO TARGET THE EARLY CHILDHOOD NEEDS OF OUR CITY SCHOOL SYSTEM. EVERY CHILD MUST BE EQUIPPED TO ENTER THE FIRST GRADE BECAUSE A DEFICIT AT THAT STAGE IS ALL TOO OFTEN NOT OVERCOME. EVERY GREAT CITY HAS A GREAT EDUCATION SYSTEM AND I PLEDGE MY SUPPORT

ALONG WITH MAYOR WHARTON AND THE CHAMBER OF COMMERCE TO ADDRESS THIS FUNDAMENTAL ISSUE IN OUR COMMUNITY, AND THE TIME IS NOW.

DURING THE LAST 11 YEARS, THIS ADMINISTRATION, WITH CITY COUNCIL APPROVAL, HAS PROVIDED SUBSTANTIAL UNPRECEDENTED LEVELS OF CAPITAL FUNDING TO MEMPHIS CITY SCHOOLS.

WHILE THE CITY HAS PROVIDED MORE THAN \$175 MILLION IN CITY SCHOOL FUNDING, AND ESTABLISHED A LOAN AGREEMENT FOR SCHOOL OF UP TO \$50 MILLION, SUBSTANTIAL CHALLENGES REMAIN TO MORE ADEQUATELY ADDRESS COMPREHENSIVE SCHOOL FUNDING.

MASSIVE CONSTRUCTION OF COUNTY SCHOOLS OVER THE PAST DECADE HAS CONTRIBUTED TO THE COUNTY DEBT, NOW MORE THAN \$1.5 BILLION.